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HOUSE BILL 3129

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State of Washington

55th Legislature

1998 Regular Session

By Representatives Grant and Mastin

Read first time 02/23/98. Referred to Committee on Health Care.

1 AN ACT Relating to public health; amending RCW 70.38.025; and  
2 creating a new section.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** The legislature finds that cardiovascular  
5 disease is the leading cause of death in Washington state, accounting  
6 for approximately forty-two percent of all deaths. The legislature  
7 also finds that many of these deaths can be prevented or delayed by  
8 reducing risk factors and improving access to services. Some rural  
9 areas, such as Walla Walla county, have a disproportionately high  
10 average annual rate for heart disease while lacking access to available  
11 life-saving medical resources. The legislature further finds that  
12 access to quality coronary tertiary health care services must be  
13 assured, especially for rural communities. The purpose of this act is  
14 to improve rural access to available and needed medical technology and  
15 services for coronary heart disease procedures.

16 **Sec. 2.** RCW 70.38.025 and 1997 c 210 s 2 are each amended to read  
17 as follows:

1       When used in this chapter, the terms defined in this section shall  
2 have the meanings indicated.

3       (1) "Board of health" means the state board of health created  
4 pursuant to chapter 43.20 RCW.

5       (2) "Capital expenditure" is an expenditure, including a force  
6 account expenditure (i.e., an expenditure for a construction project  
7 undertaken by a nursing home facility as its own contractor) which,  
8 under generally accepted accounting principles, is not properly  
9 chargeable as an expense of operation or maintenance. Where a person  
10 makes an acquisition under lease or comparable arrangement, or through  
11 donation, which would have required review if the acquisition had been  
12 made by purchase, such expenditure shall be deemed a capital  
13 expenditure. Capital expenditures include donations of equipment or  
14 facilities to a nursing home facility which if acquired directly by  
15 such facility would be subject to certificate of need review under the  
16 provisions of this chapter and transfer of equipment or facilities for  
17 less than fair market value if a transfer of the equipment or  
18 facilities at fair market value would be subject to such review. The  
19 cost of any studies, surveys, designs, plans, working drawings,  
20 specifications, and other activities essential to the acquisition,  
21 improvement, expansion, or replacement of any plant or equipment with  
22 respect to which such expenditure is made shall be included in  
23 determining the amount of the expenditure.

24       (3) "Continuing care retirement community" means an entity which  
25 provides shelter and services under continuing care contracts with its  
26 members and which sponsors or includes a health care facility or a  
27 health service. A "continuing care contract" means a contract to  
28 provide a person, for the duration of that person's life or for a term  
29 in excess of one year, shelter along with nursing, medical, health-  
30 related, or personal care services, which is conditioned upon the  
31 transfer of property, the payment of an entrance fee to the provider of  
32 such services, or the payment of periodic charges for the care and  
33 services involved. A continuing care contract is not excluded from  
34 this definition because the contract is mutually terminable or because  
35 shelter and services are not provided at the same location.

36       (4) "Department" means the department of health.

37       (5) "Expenditure minimum" means, for the purposes of the  
38 certificate of need program, one million dollars adjusted by the  
39 department by rule to reflect changes in the United States department

1 of commerce composite construction cost index; or a lesser amount  
2 required by federal law and established by the department by rule.

3 (6) "Health care facility" means hospices, hospitals, psychiatric  
4 hospitals, nursing homes, kidney disease treatment centers, ambulatory  
5 surgical facilities, and home health agencies, and includes such  
6 facilities when owned and operated by a political subdivision or  
7 instrumentality of the state and such other facilities as required by  
8 federal law and implementing regulations, but does not include any  
9 health facility or institution conducted by and for those who rely  
10 exclusively upon treatment by prayer or spiritual means in accordance  
11 with the creed or tenets of any well-recognized church or religious  
12 denomination, or any health facility or institution operated for the  
13 exclusive care of members of a convent as defined in RCW 84.36.800 or  
14 rectory, monastery, or other institution operated for the care of  
15 members of the clergy. In addition, the term does not include any  
16 nonprofit hospital: (a) Which is operated exclusively to provide  
17 health care services for children; (b) which does not charge fees for  
18 such services; and (c) if not contrary to federal law as necessary to  
19 the receipt of federal funds by the state.

20 (7) "Health maintenance organization" means a public or private  
21 organization, organized under the laws of the state, which:

22 (a) Is a qualified health maintenance organization under Title  
23 XIII, section 1310(d) of the Public Health Services Act; or

24 (b)(i) Provides or otherwise makes available to enrolled  
25 participants health care services, including at least the following  
26 basic health care services: Usual physician services, hospitalization,  
27 laboratory, x-ray, emergency, and preventive services, and out-of-area  
28 coverage; (ii) is compensated (except for copayments) for the provision  
29 of the basic health care services listed in (b)(i) to enrolled  
30 participants by a payment which is paid on a periodic basis without  
31 regard to the date the health care services are provided and which is  
32 fixed without regard to the frequency, extent, or kind of health  
33 service actually provided; and (iii) provides physicians' services  
34 primarily (A) directly through physicians who are either employees or  
35 partners of such organization, or (B) through arrangements with  
36 individual physicians or one or more groups of physicians (organized on  
37 a group practice or individual practice basis).

38 (8) "Health services" means clinically related (i.e., preventive,  
39 diagnostic, curative, rehabilitative, or palliative) services and

1 includes alcoholism, drug abuse, and mental health services and as  
2 defined in federal law.

3 (9) "Health service area" means a geographic region appropriate for  
4 effective health planning which includes a broad range of health  
5 services.

6 (10) "Person" means an individual, a trust or estate, a  
7 partnership, a corporation (including associations, joint stock  
8 companies, and insurance companies), the state, or a political  
9 subdivision or instrumentality of the state, including a municipal  
10 corporation or a hospital district.

11 (11) "Provider" generally means a health care professional or an  
12 organization, institution, or other entity providing health care but  
13 the precise definition for this term shall be established by rule of  
14 the department, consistent with federal law.

15 (12) "Public health" means the level of well-being of the general  
16 population; those actions in a community necessary to preserve,  
17 protect, and promote the health of the people for which government is  
18 responsible; and the governmental system developed to guarantee the  
19 preservation of the health of the people.

20 (13) "Secretary" means the secretary of health or the secretary's  
21 designee.

22 (14) "Tertiary health service" means a specialized service that  
23 meets complicated medical needs of people and requires sufficient  
24 patient volume to optimize provider effectiveness, quality of service,  
25 and improved outcomes of care. "Tertiary health service" does not  
26 include open heart surgery, therapeutic cardiac catheterization, and  
27 percutaneous transluminal coronary angioplasty in or through a hospital  
28 located within the limits of the city of Walla Walla.

29 (15) "Hospital" means any health care institution which is required  
30 to qualify for a license under RCW 70.41.020(2); or as a psychiatric  
31 hospital under chapter 71.12 RCW.

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